



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

OFFICE OF COMMUNITY PLANNING
AND DEVELOPMENT

May 5, 2005

MEMORANDUM FOR: CPD Field Office Directors

FROM: David Vos, Director, Office of HIV/AIDS Housing, DNH

Ronald Herbert, Director, Office of Field Management, DCF

SUBJECT: 2005 HOPWA Formula Performance Grant Agreement Operating Instructions

These documents are to be used in implementing the formula allocations under the Housing Opportunities for Persons With AIDS (HOPWA) Program during fiscal year 2005. The materials are updated from prior years' documents to reflect: (1) changes in the appropriation act administrative provisions that adjusted eligibility for certain formula grantees, including authorizing a city and state to agree on allowing the state to serve as the grantee for a eligible metropolitan area; (2) allocation amounts are based on the use of the relevant AIDS surveillance data provided by CDC as of March 31, 2004; (3) the grant agreement is updated to reference HOPWA performance measures in establishing annual output goals and reporting on client housing outcomes along with references on the use of other available resources.

BACKGROUND INFORMATION

The background information and attachments provide program specific guidance that must be used in conjunction with the standard procedures for CPD's Grants Management Process, such as Consolidated Plan Review and Qualitative Assessment procedures. This describes the key elements that are used in HUD's review and approval of the HOPWA program components of a grantee's Consolidated Plan, the performance reports/CAPER, outcome measures and standards, and use of IDIS. The attached are standard documents that are similar to those issued for FY04, with limited updates as needed. HOPWA documents and guidance can also be found on the website at:

<http://www.hud.gov/offices/cpd/aidshousing>

The 2005 draft HOPWA Reporting forms are now available:

<http://www.hud.gov/offices/cpd/aidshousing/programs/2005proposedreqs.cfm>

A.FY05 HOPWA Allocations. For FY2005 HUD awarded formula HOPWA grants to 122 jurisdictions, including 83 cities on behalf of their Eligible Metropolitan Statistical Areas (EMSA) and 39 States, for areas outside of any EMSA in that State. The State of Oregon, Lakeland, Florida, and Lynn, Massachusetts are new program participants, although under the

new authority for making grantee changes, Lakeland and the State of Florida have an agreement to allow the state to continue to serve as the grantee for this metropolitan area. In addition the allocation to the New York City metropolitan area was subdivided in 2005 between New York City for the NY parts of this area and Patterson, New Jersey; and Jersey City, New Jersey. Federal law requires that HOPWA funds awarded under the FY 2005 Appropriations Act be obligated by no later than September 30, 2006, and all such funds expended within five years of the commitment, (i.e. not later than September 30, 2011).

Attachment 1, provides a chart with the FY05 HOPWA formula allocations, grant numbers and grantee operating start dates (where known). The numbering of each grant is slightly revised to the new federal fiscal year. This continues past practices employed since 1998, in not using the two digits that represented specific field office numbers in numbering state grants with the number F999 and the cities beginning with F001 within each State, and continuing the number used for that city in the prior year.

B. Service Areas and Changes in Grantee. All service area maps, and related allocation details, with AIDS surveillance data, and resulting annual formula calculations, as well as information on available technical assistance, are updated to FY2005 and may be downloaded from the HOPWA website under the 2005 formula programs section at <http://www.hud.gov/offices/cpd/aidshousing>:

HOPWA awards are made to the largest city in the EMSA (eligible metropolitan statistical area) and the city grantees are required to serve eligible persons living anywhere within that EMSA (24 CFR 574.120). The State grantee receives an allocation based on AIDS cases in the areas of the State that are outside of any EMSA. The State grantee should serve clients for these areas, although the regulations also allow the State to carry out activities anywhere within the State, including within an EMSA (24 CFR 574.3 definition of Eligible State) and may be coordinating the use of other resources that address needs appropriately throughout the State.

As addressed in an alert of 12-28-04, under Sec. 212 of the FY 2005 Appropriation Act, HUD has new authority to administer the HOPWA formula allocations for FY 2005 grants. This new authority would retain the allocation in the area for which it was made available. It would allow for HUD to honor an agreement between the city that is initially designated to be the grant recipient and the state that would assume this grant responsibility. In some cases this might involve more than one state if the metropolitan area crosses state lines.

With regard to this new authority, caution should be exercised. If approved by HUD, this would involve a shift in grant duties and obligations. As this will likely involve changes for reserving these funds, please plan to collaborate with this office on this matter. CPD will need to establish a formal written record and make related obligation and processing changes. Also Section 212(c) refers to amounts allocated for FY2005 so HUD cannot apply the provision to earlier FY funds or potentially future FY funds (although presumably a similar provision would be enacted in future years, if useful). It might be possible that a subgrant arrangement could be made in IDIS on prior grants also to compliment any such change. It is recommended that the field office use its discretion in communicating this matter to our HOPWA grantee contacts. As

this would not allow us to change past allocations from FY2004 or earlier, the recipients of those would still be responsible for those older grants. Therefore, if a switch occurred, there would be two formula grantees operating at the same time in the same area, until all of the older grant funds are expended. In some cases, the prior concerns may have been adequately resolved and there would be no need to make a change at this point. Please advise this office if there is interest in using this authority for a HOPWA grant. The operative wording from the Appropriation Act for FY 2005:

Section 212. (c) Notwithstanding section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C 12903(c)), the Secretary of Housing and Urban Development may adjust the allocation of the amounts that otherwise would be allocated for fiscal year 2005 under section 854(c) of such Act, upon the written request of an applicant, in conjunction with the State(s), for a formula allocation on behalf of a metropolitan statistical area, to designate the State or States in which the metropolitan statistical area is located as the eligible grantee(s) of the allocation. In the case that a metropolitan statistical area involves more than one State, such amounts allocated to each State shall be in proportion to the number of cases of AIDS reported in the portion of the metropolitan statistical area located in that State. Any amounts allocated to a State under this section shall be used to carry out eligible activities within the portion of the metropolitan statistical area located in that State.

C. HOPWA Reviews under Consolidated Plans. HUD field office staff must review plans under the Consolidated Planning regulation, 24 CFR part 91, with particular attention to the completeness of the grantee's submission of the HOPWA or HIV/AIDS-related elements of their plan for the recipients of HOPWA formula funds. The CPD Qualitative Assessment for Reviewing Consolidated Plans Guidance that was issued by the Assistant Secretary for CPD on June 27, 2000 provides overall guidance and a checklist for conducting your reviews. HIV/AIDS issues are integrated throughout the sections of this qualitative review, especially in the "special needs populations" elements, in association with consultation of health and social service agencies, clients, local nonprofit organizations, and persons with disabilities, among others.

Based on program experience to date, the HOPWA activities are expected to be largely supportive housing activities that address the needs of persons who are at risk of homelessness but not homeless under the McKinney Act definition. Nonetheless, HOPWA activities may also address needs of persons who are living with HIV/AIDS who are homeless and about 15 percent of beneficiaries are reported to be homeless at entry into a HOPWA program. These activities should be presented in a coordinated manner with the associated elements that address the needs of persons who are homeless.

This memorandum updates the program specific information that is used in administering the formula component of the HOPWA program. It is expected that HOPWA recipients listed in Attachment 1, will submit their FY2005 Action Plan consistent with their multi-year Strategic Plan. Importantly, the field office review of the HOPWA elements of a Consolidated Plan submission can document any substantive issues or deficiencies that need corrective actions or supplemental information to be submitted to HUD, prior to plan approvals. Further, please consider noting information that might evidence model features, which might be later, used to identify good

examples of community programs.

The following is provided as a reference tool. Under 24 CFR 91, the Consolidated Plan from a jurisdiction that receives HOPWA formula funds should clearly provide HIV/AIDS or HOPWA elements under each required component:

- (1) In consultations with other public and private agencies that provide assisted housing, health services and social services for persons with HIV/AIDS and their families;
- (2) In considering any comments or views expressed on HIV/AIDS housing and service needs by citizens under their citizen participation plan;
- (3) In estimating the number and type of family in need of housing assistance for persons with HIV/AIDS and their families under the housing and homeless needs assessment (including needs in their HOPWA service area, i.e. the size and characteristics of the population with HIV/AIDS in the entire eligible metropolitan statistical area (EMSA) for a city grantee, or, for a State grantee, the areas of the State that are outside of any EMSA); in addition to homeless needs, the plan's assessment of "other special needs" should include the number of persons with HIV/AIDS and their families who are not homeless but require supportive housing;
- (4) In providing a housing market analysis, including the supply, demand, condition and cost of housing and the housing stock available to serve persons with HIV/AIDS and their families; and
- (5) In providing a complete strategic plan, which addresses other special needs with components relative to persons with HIV/AIDS and their families who are not homeless but require supportive housing that:
 - (a) Indicate general priorities for allocating HOPWA program funds geographically within the eligible metropolitan statistical area and among priority needs;
 - (b) Describe the basis for assigning the priority given to each category of priority needs;
 - (c) Identify any obstacles to meeting underserved needs;
 - (d) Summarize the priorities and specific objectives, describing how funds made available will be used to address identified needs; and
 - (e) For each specific objective, identify proposed accomplishments the jurisdiction hopes to achieve in quantitative terms over a specific time period (e.g. over two-five years), or in other measurable terms as identified and defined by the jurisdiction.

D. Corrections to Incomplete HOPWA Plans

If aspects of the HOPWA elements of the plan are determined to be substantially incomplete, during the 45-day review period, grantees should be asked to provide supplemental information to ensure that the incomplete items are corrected. The Consolidated Plan procedures found at 24 CFR 91.500 on HUD approval action, must be followed. As provided in that regulation, if the HOPWA elements of a plan remain substantially incomplete, the HOPWA portion of a plan may be disapproved; in such cases, the field office must provide the grantee with reasons for the disapproval and actions that could be taken to meet the criteria for approval. It is expected, that the jurisdiction would revise its plan accordingly, and resubmit a plan that could meet the established criteria. The items noted in the qualitative assessment guidance and those listed above from the regulation are the main criteria that would be used in this effort.

In the past, most offices have found that grantees are receptive to making improvements in

their plans, when specific issues are identified in HUD's review. A request for additional information could be made and corrective documents submitted during the 45-day review period. For example, a correction would be requested, if HUD determines that a plan fails to clearly describe the amount of other Federal, State, local and private funds, that are reasonably expected to be made available during this period to address priority needs and specific objectives identified in the plan. Also, please note that the HOPWA CAPER charts will track this use of other funds during the program year. In some cases, grantees drafted plans based on estimates of their FY2005 allocations, and amounts should be corrected to the actual allocation before the signing of a grant agreement. Further, if planned activities are not eligible under the HOPWA program, appropriate notice and revisions should be made to ensure that only eligible activities are approved. (Note: not all technical issues need to be corrected, for example, CDBG matrix codes do not apply to HOPWA activities and HUD has established HOPWA specific activity codes in IDIS. These corrections can be identified and made later during "project setup" in IDIS.)

E. Performance Grant Agreements. As a new feature in 2005, Attachment 3, provides the HOPWA formula performance grant agreement. The agreement is updated to reference HOPWA performance measures in establishing annual output goals and reporting on client housing outcomes. The wording states a current grant administration requirement in the regulations, at 574.500, that requires "on-going assessment of the housing assistance and supportive services required by participants" and quantifies this, at a minimum, as an annual assessment of their housing situation in connection with the new outcome measure. It also notes the annual determination of rent subsidies. The wording is also revised in specific references on the use of other available resources to address the supportive service needs of clients, e.g. from mainstream health and human welfare programs. Attachment 4 provides a letter that may be used to send this agreement to the grantee or parts of this letter may be incorporated in a general Consolidated Plan letter. As noted in this document, the approved consolidated plan submission (i.e. the Application) is incorporated as part of the grant agreement. Attachment 10, has the ADAP costs guidance that is referenced in the grant agreement, as HUD's "Guidance on the Restricted Use of HOPWA funds for AIDS Drugs Assistance and Other Health-care Costs," issued January 21, 1998.

F. Environmental Procedures. [This section was revised last year from FY03 guidance.] Under a permanent change in the AIDS Housing Opportunity Act by the Department's Appropriation Act for FY2001, the procedure for conducting a HOPWA environmental review was revised for all HOPWA projects. This change was requested to allow for the assumption of environmental responsibilities by states and local governments, similar to other HUD programs. That section authorizes responsible entities (including units of general local government, states, Indian tribes, and Alaska native villages) to perform the environmental review for proposed HOPWA projects in accordance with 24 CFR Part 58. If the recipient (i.e. grantee) cannot serve as a responsible entity, then it must request the responsible entity, as defined in 24 CFR Part 58, housing agencies or private nonprofit organizations (Section 58.11), or if HUD determines that the responsible entity should not perform the environmental review on the basis of performance, timing or compatibility of objectives, HUD may designate another responsible entity to conduct the review under Part 58 or may itself conduct the environmental review under Part 50. Where HUD determines, under 24 CFR 58.11, that it will perform an environmental review for a particular project in accordance with 24 CFR Part 50, the HOPWA recipient may not acquire; rehabilitate, convert, lease, repair or construct property or commit or expend any grant or nonfederal funds for

these program activities until HUD provides written notice to the recipient that HUD has completed the environmental review. This statutory provision was implemented in a recent final amendment of the HOPWA regulation at 24 CFR 574.510 (68 FR 56130, published on September 29, 2003).

HOPWA recipients may not commit or expend any grant or nonfederal funds on project activities (other than activities exempted under § 58.34 or excluded under §58.35(b)) until HUD has approved the recipient's request for the release of funds (RROF) (Form HUD-7015.15) under Part 58. HUD cannot release funds if the recipient or any other party commits grant funds for activities not listed in 24 CFR 58.34 or 58.35(b) before the field office approves Form HUD-7015.15.

The statutory change also requires that for recipients who are private nonprofit organizations or public housing agencies (PHAs), the environmental review is to be performed by responsible entities (units of general local government in whose jurisdiction the activity is located or states) in accordance with 24 CFR Part 58 -- "Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities" whether or not the grantee is itself a unit of general local government or a state. Previously, the review was required to be performed by HUD for PHAs and nonprofit grantees in accordance with 24 CFR Part 50 -- "Protection and Enhancement of Environmental Quality." If a responsible entity is either unwilling or unable to perform an environmental review for grantees who are using public HOPWA or nonfederal funds prior to the HUD approval of the RROF (or prior to completion of a HUD environmental review) may result in denial of assistance for the project under consideration.

In addition, as may be needed in using funds for a new HOPWA project, a notification letter should be sent to the recipients to communicate this information regarding environmental procedures, suggested draft follows:

I am writing to inform you that any new project being supported with these federal funds may require an environmental review, which must be completed before HUD funds can be committed or expended. Once the environmental review has been completed, please submit Form HUD-7015.15, the Request for Release of Funds (enclosed), to this office. HUD will not release funds to the project until this form has been submitted and HUD in turn has notified you that the request is approved. If the recipient is a state or unit of general local government, then the recipient must complete all three parts of Form HUD-7015.15. Please complete the form and submit it to this HUD office *after* the environmental review has been completed and any required notices are published. Only units of general local government can assume responsibility for environmental reviews under 24 CFR Part 58. Sponsors can supply the required information to the responsible entity to prepare the review.

If the new project requires an environmental assessment per part 58.36, *please note that this process does take time*; the public notice and comment requirements take 30 days after the assessment is prepared. HUD's web site has helpful information on these environmental review requirements at:

<http://www.hud.gov/offices/cpd/energyenviron/environment/index.cfm>.

However, if the new project does not require an environmental review, as it does

not involve the use of a new property or facility site, it is necessary to file of an exemption to an environmental review, which must be completed before HUD funds can be committed or expended. Where a responsible entity makes an environmental finding of exemption for a site in accordance with § 58.34(a)(12) and (b), then that finding of exemption may be submitted by the recipient to the field office in lieu of Form HUD-7015.15, the Request for Release of Funds, to this office. HUD will not release funds to the project until this form has been submitted and HUD in turn has notified you that the request is approved.

If you have any questions or would like assistance proceeding with the environmental assessment, please contact _____ in this office.

G. HOPWA Performance Goals: The statutory purpose of the HOPWA program is to provide states and localities with resources and incentives to devise long-term strategies for meeting the housing needs of low-income persons with HIV/AIDS and their families. This focus on providing housing assistance and related supportive services for HOPWA eligible clients will reduce the risks of homelessness for this population and increase access to appropriate healthcare and other support. HOPWA activities relate to all of HUD's FY2005 Performance Plan goals in some manner, but particularly to the Strategic Goal number two which is Promoting Decent Affordable Housing, and Performance Indicator Objective A3: Increase Housing Opportunities for the Elderly and the Disabled. This office expects to issue a notice on HOPWA outcome measurement in the near future, to update the APR and CAPER forms in order to collect data from competitive grantees and summary information from formula grantees, provide training on this topic and request revisions to IDIS to accommodate the related data collection elements.

Formula grantees are required to enter proposed accomplishments for each HOPWA activity within IDIS. Proposed accomplishments should be entered during activity set-up on the MA04 screen and should correspond to the grantee's CAPER for the current program year. HUD will use proposed accomplishment data entered into IDIS as an estimate of the program's Annual Performance Plan (APP) goal which tracks the number of housing units supported through the HOPWA program. Failure to use the MA04 screen to setup activities with project accomplishment data should be considered a serious failure in grant administration.

H. Performance Reports & HOPWA Works!. CPD expects to update the HOPWA reports in 2005. Until guidance is issued, HOPWA grantees must submit the current reports, including a Consolidated Annual Performance and Evaluation Report (CAPER) and use IDIS to provide complete annual information on the use of program and other funds. Grantees must ensure that IDIS and CAPER information is accurate and filed in a timely manner. HUD uses the CAPER and IDIS data to obtain essential information on grant activities, project sponsors, sites and units of housing, and beneficiaries (which must include racial and ethnic data on program participants). Such information is summarized in HOPWA verification reports that are shared with grantees to confirm that the data reported in a CAPER and in IDIS is accurate. Field Offices should use this information and a status report on the timeliness in filing these documents and in expending funds, which is shown in *HOPWA Works!* for program monitoring and evaluation purposes. Corrective actions must be taken if reports are not complete or timely. Two IDIS conventions are important for HOPWA reports; the use of series 31 matrix codes and the setup and closeout of activities each year

for HOPWA projects—to allow HUD to track HOPWA grant performance. IDIS edits are also pending and may be implemented in 2005. In both the CAPER and IDIS, grantees are required to provide HUD with complete, accurate, and valid information not later than 90 days after the close of their program year.

Attachment 8 provides the schedule for formula grantees in their submission of CAPER and IDIS information to HUD, for review and approval. The attachment also addresses many of the common standards for performance information collection and provides information on how the Department collects data used in HUD's national reports on this program.

CAPER. The CAPER is to be submitted to HUD within 90 days after the close of the jurisdiction's program year, as found at 24 CFR 91.520. The Assistant Secretary's February 18, 1998 memorandum on the Consolidated Annual Performance and Evaluation Report (CAPER) requirements included the following general requirements that pertain to HOPWA and other programs as part of their overall accomplishments:

- (a) An assessment of three to five-year goals and objectives, including how activities undertaken during the year address objectives to allow HUD and citizens to assess annual progress in meeting goals;
- (b) An evaluation of progress in meeting its specific objective of providing affordable housing, including a summary that compares actual to proposed goals;
- (c) A Continuum of Care narrative that addresses the needs of homeless persons and the special needs of persons that are not homeless but require supportive housing, (including persons with HIV/AIDS and their families), with a summary of actions taken during the year;
- (d) Other actions indicated in the strategic and action plans;
- (e) Leveraging resources in describing progress in obtaining other public and private resources that address needs identified in the plan;
- (f) A summary of citizen comments; and
- (g) The self-evaluation of accomplishments and plans for the future.

In addition, this memorandum provides HOPWA-specific requirements: All grantees receiving HOPWA funds must submit narrative information addressing the following:

- (a) An analysis of the extent to which HOPWA funds were distributed among different categories of housing needs identified in its approved Consolidated Plan.
- (b) An overview of activities carried out, barriers encountered, actions in response to barriers and recommendations for program improvement. For example, a grantee could describe difficulties that were encountered in implementing the program based on a review of residents' concerns and the actions taken to address those concerns. Recommendations for program improvements should include ideas of procedural, regulatory, and other changes and describe how such changes would benefit eligible persons and/or improve administrative efficiency. Grantees that select project sponsors also should address how grant management oversight of sponsor activities was undertaken, including how recipients of such assistance were chosen and what services provided. (AHOA, Section 862 and 24 CFR 91.520 (a) and (e)).

- (c) Information on what other resources that were used in conjunction with HOPWA funded activities, including cash resources and in-kind contributions, such as the value of services or materials provided by volunteering or by other individuals or organizations. If not already addressed in the general performance report narratives, HOPWA grantees also should indicate how activities were carried out in collaboration with related programs, including consultations or coordination of planning with clients, advocates and entities that administer programs under the Ryan White CARE Act, AIDS Drug Assistance Programs, Continuum of Care Homeless Assistance Programs, or other efforts that assist persons living with HIV/AIDS and their families.

To assist grantees in completing the narrative and to provide a tool for reviewing the HOPWA portion of the CAPER, the office has provided the CAPER guidance in Attachment 5: “HOPWA Formula Grantee Annual Reporting.” This guidance provides an outline of the HOPWA narrative that should be submitted within the CAPER for each formula jurisdiction. This information is based on the February 18, 1998 Assistant Secretary’s memo, but provides a clearer format for presenting the required information.

CAPER Charts. The updated CAPER is expected to be issued in 2005, and the Consolidated Plan Management Process (CPMP) tools was issued in 2004 and the key elements of this redesign of reports. While Attachment 5 contains the current *HOPWA Performance Summary Charts for End of Program Year Reporting*, these charts are intended to be part of the CAPER for activities undertaken during the grantee’s 2005 operating year until replaced by new guidance (see also attachment 10 for related report schedules and standards). Grantees are encouraged to make use of these charts and standards for reporting HOPWA activities and verification reports. The charts provide grantees a means to report in a summary manner on the amount of housing assistance and costs for this assistance, that is provided during the year under the HOPWA and HIV/AIDS elements of their approved Consolidated Plan. The charts provide summary information for their public and for HUD on this performance. The charts were intended to allow the grantee to display information that is required for the CAPER as well as allow grantees to give a summary of information reported in IDIS, providing data for the same period of time covered by the CAPER. The charts can also be used by HUD to confirm information entered into IDIS for that operating year. The charts are supplemental to the narratives and other information that is provided in the CAPER. [NOTE: please continue to make use of these documents, however these charts will be updated to incorporate the new HOPWA outcome measure at a later date or replaced by CPMP tools]

Field Offices are requested to send a copy the HOPWA part of the CAPER to the Office of HIV/AIDS Housing, after its receipt. This can be done by mail or fax to 202-708-9313 OHH fax. The information needed is both the HOPWA CAPER charts, which illustrate required CAPER documentation, and the summary or HOPWA section of the grantee’s CAPER, which is used for summary information posted on the HUD web on the HOPWA programs.

IDIS. The IDIS screens and Annual Progress Report (APR) pages provide similar formats for collecting the number of clients, their demographic characteristics for persons who receive some form of housing assistance, the type of activities carried out and amounts expended by activity, the

number and type of housing units provided, as well as information on the type of supportive services and amount spent by type of service (or estimated by type, as necessary). Complete activity data should also be entered within 90 days of the end of the program year or at the completion of an activity, whichever comes first. Attachment 6: "IDIS Guidance for HOPWA Formula Grantees" outlines the current requirements for entering and reporting information within IDIS. Please use this guidance in directing your grantees to enter accurate and timely performance data into IDIS, as well as, a monitoring tool when reviewing IDIS information.

Annual Progress Report. This form is used by Competitive grantees and in some cases by formula grantees for collecting information from project sponsors. NOTE: the use of these forms will be updated in 2005 to incorporate the new HOPWA outcome measure and issued at a later date. For HOPWA competitive grantees, the reporting must include submission of an Annual Progress Report (APR) and an updated Logic Model on their projects, for each operating year

I. Review of Performance Reports. The following apply to reviews of HOPWA reports:

1. The GMP schedule provides for a CAPER review within 60 days of its receipt. The HOPWA parts of the CAPER should evidence progress in carrying out the HIV/AIDS elements of their strategic plan and action plans in the quantified terms, objectives and time periods that were established in their approved plans. The HIV/AIDS part of the CAPER should be reviewed for its consistency with the general provisions and the HOPWA-specific provisions, noted above. If this chart is not included or completed as required, please advise the grantee of this omission. Beginning with the FY2000 programs, the use of the new charts should improve the process to review information on how HOPWA and other funds are used to address the needs of persons living with HIV/AIDS and their families and enable grantees to report on a standard requirement that was established in the Consolidated Plan regulations in 1995, for reporting on the use of other funds used in connection with HUD program resources. For example, if a grantee planned to use HOPWA for supportive services in connection with housing assistance from another source, such as local funds for rental assistance, the report should provide information on both the services and housing components, such as the number of units or households supported with rental assistance and the costs of that assistance during the year. This information would show accomplishments under their approved strategy in using HOPWA and other funds in a coordinated manner to address the housing needs of persons with HIV/AIDS and their families.

2. IDIS and Verification Reports. In connection with the CAPER, the active use of IDIS is required and should be evidenced by performance. Data in IDIS should be complete and accurate in reporting on accomplishments and summary data is verified by grantees for posting on the HUD website. Grantees must use the system for complete annual information that will allow for a comparison of planned performance and actual accomplishments (on IDIS screen MA04 or in CPMP). Grantees that fail to make use of IDIS should be provided notice of this deficiency and a draft notice is attached for your use as may be appropriate, see Attachment 8. The 2004-2005 data cleanup effort now underway, involves the use of *HOPWA Works!* as a Field Office tracking tool for the status of reports due to HUD, or pending corrections on filed documents. It also shows expenditure performance to help monitor grants. The verification report step was added to compensate for IDIS issues and this summary data is used a fundamental element in providing public information on program results. Along with currently pending system enhancements and

redesign (when completed) continued IDIS and reporting training efforts are expected to help ensure satisfactory performance in use of this information technology.

Field Office Action – Notice if failure Verify Data or incorrect use of IDIS. It is particularly important that every grantee make specific performance information available to HUD from all project sponsors in a timely manner. A number of recent management audits have focused on the adequacy of reporting by grantees. A significant amount of effort has been made to train grantees on the use of HOPWA reporting tools through direct contact by HUD offices, the use of TA providers. The current cleanup effort in the verification reports and in *HOPWA Works!* has a focus on summary data which should serve as the minimal acceptable level of reporting. More complete and accurate IDIS information is also expected, but pending system changes, may be difficult to achieve. If a grantee continues to fail to make appropriate use of reporting tools as required, to enter performance data in a complete and accurate manner each year, it is important to note that further steps will be taken to correct this lack of compliance and obtain the required information. Field Offices must ensure that grantees are adequately trained on the use of reporting forms, systems and related instructions – at a minimum, confirmation of data shown in HOPWA verification reports are needed.

Based on your judgment, please adapt and make use of a draft notice letter in Attachment 8 that provides an appropriate *corrective action* notice. Please insert the specific grantee references on missing reports or data. The due dates should be changed to some reasonable time line, e.g. to allow time to collect data from sponsors, if this has not been done, and to fill out a verification report for any missing reports prior to 2005, as shown in *HOPWA Works!* A grantee should also be directed to setup projects in IDIS for the operating year to access funds and technical support is available as needed. This use of the system should help to enable them to file IDIS data for each project, and all the activities carried out under each project during that year, as required. These actions are vital to building a successful data collection and evaluation system that can rely on the grantee performance reporting for 2005, and when IDIS enhancements are effective in the future.

This notice letter can also be adapted as a monitoring letter for other performance concerns, e.g. if they show only limited success in expending funds or filing reimbursements in a timely manner, if projects are substantially delayed without your agreement, or a significant amount of citizen complaints are filed, etc. Nonetheless, if you make use of this letter, please advise or copy this office, as we are helping to coordinate technical assistance for the data input efforts.

3. Assessments and Corrections. Field Offices must use these reports in assessing grantee performance, the need for additional technical assistance, on-site monitoring visits or other corrective actions, including making corrections to ensure that data is accurate and complete. The information should also be used by field offices in assessing practices and identifying those, which constitute examples of “best practices” by HUD grantees.

4. Measuring Performance. This Office expects to issue new guidance on HOPWA outcome measurement during 2005, along with related training and use of new data collection tools, an updated APR, CAPER charts. Requested IDIS enhancements are pending and may be implemented. This section generally discusses the new HOPWA client outcome concept which will be subject of the new 2005 guidance.

Purpose of the Updated 2005 Performance Report

These revised HOPWA performance reports are expected to provide program recipients and communities with an opportunity to review how the area HOPWA program has helped participants obtain appropriate assistance that addresses their pressing housing needs associated with living with the challenges of HIV/AIDS. Each report is designed as a management tool to assist area efforts in evaluating program performance, including the performance by each project sponsor, and reporting the use of these federal funds in providing assistance to eligible beneficiaries. In considering program successes, the report may also be used to discuss how activities are carried out in conjunction with other resources in the community. For many if not all households, the types of housing support provided by your efforts directly help our beneficiaries achieve results in greater housing stability, prevention of homelessness, and improved access to healthcare and other support. .

The draft forms incorporate new reporting elements and update or consolidate other existing requirements. The draft forms will help grantees and project sponsors aggregate results on the use of the HOPWA resources to: (1) provide housing assistance as shown in the annual output measure for the number of households assisted with housing subsidies and units of housing involving residential facilities; and (2) collect and evaluate client information demonstrating the outcome of improved housing stability for this special needs population.

Please see the HOPWA website for more detailed description of these changes in the *Overview* and to review the proposed draft forms. The Department expects that the forms will be issued later this year to replace the use of our existing CAPER and APR and that IDIS will be updated at a later date:. The draft forms and the related Federal Register notice are available:

<http://www.hud.gov/offices/cpd/aidshousing/programs/2005proposedreqs.cfm>

J. Close Out Procedures. It is generally assumed that formula grant recipients will continue to receive allocations on a year-to-year basis, based on the current statute and appropriations act. Close out procedures are being developed for cases in which the formula recipient does not continue to be eligible and for competitive grants and issued at a later date. At a minimum, the administrative requirements for grants, at 24 CFR 85.50, apply and these are understood to include the use of a final HOPWA performance report (IDIS/APR and CAPER), cost or cash adjustments for any allowable reimbursable costs, and the refund of any balance of program funds by deobligation or recapture of funds.

K. Technical Assistance.

On HOPWA data collection and performance reports, the Office of HIV/AIDS Housing is working in partnership with the QED Group, on actively maintaining and improving the performance measurement system, as seen in HOPWA Works! and the data verification efforts. If you have any questions, please contact Duane Knight at (202) 708-1934 x2474, Duane_Knight@hud.gov, or Danielle McLeod, at x7409 or Danielle_L_McLeod@hud.gov.

QED will assist HUD offices and our partners in the development of data collection efforts to measure long-term performance outcomes and to support the production of accurate and timely national HOPWA reports. QED will accomplish this by working with grantees on:

Improving the quality of HOPWA expenditures and accomplishment data in the Integrated Disbursement and Information System (IDIS);

Assisting in the development of accurate and timely reporting for the Annual Progress Report (APR) and Consolidated Annual Performance and Evaluation Report (CAPER); and

- Assisting HOPWA grantees meet reporting requirements and access updated program information.

QED will assist the Office of HIV/AIDS Housing with the collection, validation, and evaluation of formula and competitive grantee program data. QED will provide data entry and analysis of HOPWA grantee performance data for use in developing national performance reports, in conducting evaluations on meeting program objectives, in supporting field management and project operations, and other similar goals. As part of this effort, QED may also make data collection recommendations to enhance performance reporting by HOPWA grantees.

An important feature of these new services is direct technical assistance to HOPWA grantees, including conducting training sessions and providing guidance in data and performance reporting. In addition to training and presentations at grantee meetings, information will also be made available through our website, <http://www.hud.gov/offices/cpd/aidshousing>, and other methods to share information and better communicate with HOPWA grantees. This assistance will include:

- Technical support in the collection of complete, accurate and timely performance data from all HOPWA formula and competitive grantees;
- A comprehensive data accuracy review of CAPER reports to ensure data integrity and for developing a database to report on national, regional and grantee-level data;
- Technical assistance to HOPWA grantees and project sponsors, offered in collaboration with HUD field offices;
- Training modules that include guidance on measuring HOPWA outputs and outcomes, data reporting, and accurate use of forms and systems; and
- Presenting information on HOPWA program reporting requirements at selected HOPWA meetings and training conferences.

If you have any questions about HOPWA performance reporting data collection, please contact Duane Knight, at (202) 708-1934 x2474, Duane_Knight@hud.gov or Danielle McLeod, at (202) 708-1934 x7409 or Danielle_L_McLeod@hud.gov.

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The IDIS Technical Assistance Unit is also available to address questions and help support the use of IDIS. Contact Patricia Jackson on the Help Line at: 1-800-273-2573; 202-708-5227 x 190 or email patricia_m._Jackson@hud.gov

The Office of Technical Assistance and Management indicates that the training region of IDIS was made available to the CPD Field Offices to organize and conduct training of their grantees and that this will serve as an ongoing responsibility for Field management.

As you work with grantees and project sponsors, monitor grants, consult with citizens and take other actions on HOPWA programs in your area, please consider the use of HOPWA technical assistance which is available through the providers described on our website. Questions regarding this memorandum should be directed to HOPWA@hud.gov or call Travis Emery, CPD Specialist, Office of HIV/AIDS Housing on (202) 708-1934 ext. 4353.

Attachments

1. FY2005 HOPWA Formula Allocations (with new grant amounts and numbers)
2. [REMOVED] CPD Notice 03-11, Designation of Eligibility for Formula Allocations under the Housing Opportunities for Persons With AIDS (HOPWA) Program in Fiscal Year 2004
3. HOPWA Grant Agreement for FY2005
4. Transmittal letter
5. HOPWA Formula Grantee Annual Reporting – CAPER Narrative and CAPER Charts
6. IDIS Guidance for HOPWA Formula Grantees
7. IDIS notice letter
8. HOPWA Formula Grantee Report Schedule and Standards (updated)
9. Guidance on the Restricted Use of HOPWA Funds for AIDS Drug Assistance and Other Health-care Costs.

Documents can also be found on the HOPWA homepage at <http://www.hud.gov/offices/cpd/aidshousing/programs/index.cfm>.